GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:511
ANSWERED ON:03.12.2004
DECLINE IN EXPORTS TO PAKISTAN
Purandeswari Smt. Daggubati

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Pakistan has cut down its purchases of major commodities like iron and metal, sugar, plastic products, chemical and spices etc. from India in the last financial year;

(b) if so, the reasons analyzed; and

(c) the action proposed to increase economic activity between the two nations?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a) India`s total trade with Pakistan has registered a positive growth of 39% (approx.) from US $ 206.16 million during 2002-2003 to US $ 286.55 million during 2003-2004. While India`s exports of chemicals have increased from US $ 41.74 million during 2002-2003 to US $ 45.97 million during 2003-2004, the volume of trade during this period in respect of iron and metals, sugar, plastic products and spices has shown a declining trend.

(b) There is no specific reason for the decline in the export of some products except that volume of trade is primarily determined by various economic factors including, inter-alia, demand and supply, price competitiveness and alternative sources of supply available to the importers.

(c) Pakistan and India are signatories to the South Asia Preferential Trading Arrangement (SAFTA) which is scheduled to come into effect from 1.1.2006 and will give a significant boost to economic activities between the two nations. A Committee of Experts has also been set up to discuss trade related issues between the two countries with a view to sorting these out for mutual benefit. Of late, there has also been a visible increase in business to business dialogue through exchange of visits and participation in trade fairs and exhibitions, etc.